Previous references.
LB 240-10, 148

191 4-15.

(Local Boards)

File No. 181-13

Serial Nos. 1-4

Later references.
LB 118-24 / 4 & 11-20

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-4

Part B. for September 1914.

SUBJECT

Authorizing the President District Board Shimoga to issue a prospectus and collect funds for opening railway lines from Shimoga to Thirthahalli & Sagar.

Sl 1 From the President Dist Board Shimoga. no. 295/R164 dy 14/1/14

Requests orders on his proposals (1) for the construction of Ry lines from Shimoga to Thirthahalli & from Shimoga to Sagar (2) for the issue of a prospectus & the collection of funds & (3) in regard to guage, agency by which the lines are to be worked etc.

Sl 2 To the Deputy Commr, Shimoga no 7C 8756 dy 17/2/14

Authorizes him to proceed with the collection of funds for the feeder railways proposed in his District

G. R. S. 58

GPB—4,000—4-7-11

N.C. 14.
9.7.14

G.R.S. 11] 1913

GENERAL AND REVENUE SECRETARIAT.

(L.B.)

NOTES.

File No. 181

FILE HEADING.

Construction of feeder Railways in the Shimoga District

From

The President, Dt. Board, Shimoga

No. 245/R.164 Dated 14-1-14 Received 16/19-1-14

Diary No. 4010 Enclos. 2 Spare Copies. Serial No. 1

BRIEF ABSTRACT OF LETTER.

Requests orders on his proposals (1) for the Construction of Ry. lines from Shimoga to Thirthahalli & from Shimoga Sagar (2) for the issue of a prospectus & the Collection of funds & (3) in regard to Gauge, Agency by which the lines are to be worked, &c.

NOTES AND ORDERS.

1) The financial condition of the District Board during the current year is as follows

	Rs.
Estimated balance on 1-7-1913	61,474
Receipts during 1913-14	107,121
Total	168,595
Expre	108,838
Estimated balance	59,757

NOTES—First Sheet.

GPB—35,000—15-6-12

4010.

G. R. S. 12]

General and Revenue
Secretariat.

L. B. File No. 181 of 1913

Serial
No.

2) The Expenditure, it will be thus seen, is in excess of the income but the closing balance at the credit of the Dt. Bd. is more than the minimum working balance by Rs. 46,367. Subd. for orders.

K. 33
26.1.14

(ii)

3) The necessary preliminaries as to the suitability of the route, ~~and~~ the probable cost, and the advisability of guaranteeing interest have to be dealt with in the Railway Secretariat, and this will take time.

vide Reg. C also
No. 289-93
Ry. 7 (124-11) 12
d. 15. 12. 11

4) As regards the question of agency raised in para 8 of the letter under disposal, it is submitted that the safer course appears to be for the Dt. Board to manage the Railway, if the aid of half the Capital is expected from Govt. If however all the Capital is subscribed for by the public, Govt guaranteeing the interest only, a Joint Stock Concern may be permitted.

~~At~~ At present, the Dt. Board ~~we~~ may probably be ~~[illegible]~~ authorised to raise the Debenture loan of 9 lakhs, (vide para 9 of the p. under disposal) orders on the

NOTE—Contn. sheet.

G. R. S. 12]

General and Revenue
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No.

other proposals being reserved for further consideration.

5) The Dt. Board can raise such a loan under Sec 6 of the L.B. Regn. with the previous sanction of Govt.

(Flag B)
G.O. no. 10318-20
LB (240-10)-8
d 19-6-11

6) This procedure was followed in the case of the Kolar Dt. Board.

Submitted for orders.

Bm
22/1

Dy. Secy.)

7) If in the opinion of the Railway Engineer-in-chief the proposed line is *prima facie* unobjectionable, the District Board may be authorized to raise the capital needed by means of debentures. This is the first order needed. The file will be sent unofficially to the Engineer-in-Chief for remarks if the Second Councillor approves.

D. N. Narayana Rao
25/1

2nd Councillor)

Bm
29/1

8) I approve of the course above suggested - there is not much time to be lost.

31/1

31/1

9 Forwarded unofficially to the Engineer-in Chief, Mysore State Railways for favour of opinion on the point raised in para 7 supra.

U.O. to Railway Secy
no 162 d 31/1/14.

E.M.

on return
3/2

NOTE—Contn. sheet.

3.2.13

GPB—60,000—7-11-13

Under Secy to Govt.
G & R - Depts

31/1/14

G. R. S. 12]

General and Revenue Secretariat.

LB File No. 187 of 1913.

~~4000~~ 4010

Serial No.

10 I have lately been over the country & think there is no objection to this line. It will not be possible to utilize much of the road owing to steep gradients; but a 2' gauge line can be cheaply constructed & with such an important place as Tirthahalli as an objective, should pay handsomely.

E A S Bell
Engineer-in-chief
6/2/14.

✓

1/2

68
87
7.2.14

NOTE—Contn. sheet.

PTO

(5

1010

G. R. S. 12]

General and Revenue Secretariat.

LB File No. 181 of 1913-14

Serial No.

11 In case the District Board is to be permitted to raise half the capital by floating debentures, a promise of the Govt contributing the other half as a loan and of guaranteeing an interest of 4 % has to be given.

12 The present financial condition of the District Board does not seem to admit of any additions being made to its expenditure. In the event of the levy of Railway cess of 6 pies in the Rupee being sanctioned, the District Board will be in a position to pay off the loan with interest in about 30 years irrespective of the income that the Railway when constructed & worked may yield.

Note 5 years' finances.

Note probable income

13 Prior to the issue of orders authorizing the publication of the prospectus ~~and~~ for collecting the loan, the question whether Govt are prepared to subscribe for half the capital required and to guarantee the usual interest of 4 % to the debenture holders seems to be a point for consideration.

14 May the Financial Dept be consulted in the matter?

KP. 82.
9.2.14.

BX

~~For favour of opinion~~

Vide marginal orders
Am
11/2

NOTE—Contn. sheet.

GPB—60,000—7-11-13

File taken by Dy. Secy. for subn to Dewan [illegible] 11/2

KP 11/2

4596 (6

G. R. S. 12]

General and Revenue
Secretariat.

L13 File No. 181 of 1913-14

Serial No.

15 Draft authorizing Dy Commr to collect funds is put up for approval as personally desired by Dewan Sahib. M
11/2

16 Draft returned approved with thanks. The proceeding has been reported to His Highness in person.
12.2.14. RG

H. Davis 962

17 Issue the letter with G.F. Notes. Return file to Br. IV
13.2.14

G.F. for note
& Despatcher for note
Issued d/17/2/14.

Typing Section 1

18 Br. IV.

2 19 To the Deputy Commr., Shimoga No. R.3756 d/17.2.14. authorizing him to proceed with the collection of funds for the feeder Railway proposed in his District pending settlement of details about the issue of prospectus and other matters.

3 20 From the same officer No 336 d/18.2.14 with refce. to sl-2, requests early orders on the several points referred to by him in sl. 1 as otherwise it is not possible to make people subscribe.

21 Subd for orders.

VP 23
20/2/14
BAS

(P.T.O)

NOTE—Contn. sheet.

GPB—60,000—7-11-13

(7

G. R. S. 12]

General and Revenue
Secretariat.

L.B. File No. 187 of 1913

Serial
No.

ii) The average income & ~~receipts~~ Expre of the Shimoga District Bd for the past 5 years are as shown hereunder: —

Total figures under Service Heads alone not given.

Year	Receipts Rs.	Expre Rs.
1908-09	94707	95282
1909-10	91936	85975
1910-11	104134	94071
1911-12	100084	93704
1912-1913	107282	92678
Total for 5 years.	498143	461710
Average per year	99629	92342

Thus it will be seen that average ~~expenditure~~ income per year is greater than the average Expenditure by Rs 7287.

iii) The probable income that may be realised by the levy of 6 pies Ry Cess will be Rs. 56,000 p.a. on the average as the total local Cess credited to the District Funds of the Shimoga D.B. for each of the past 5 years is as follows

Year	credit of Local Cess Rs.
1908-09	1,10,167
1909-10	1,08,498
1910-11	1,14,100
1911-12	1,15,089
1912-13	1,19,486
Total	567340

NOTE—Contn. sheet.

GPB—60.000—7-11-13

4696

(8

G. R. S. 12]

General and Revenue
Secretariat.

L. 1. File No. 181 of 1913.

Serial
No.

24) Subd with the above information as personally directed by the Asst Secy.

I.C. 33
20/2/14

~~B.S.~~ 25) I am in favour of opinion as to ~~[illegible]~~ the promising of the guarantee of 4%, and of half the Cost from State Funds. As regards the agency, the Dt. ~~Board~~ Board appears to be the most suitable.

Am
21/2.

H. Secy 100.
by ?
24/2

Br II)

Subd.
Asst SN
24/2/14

26) The guarantee of 4% and the promise of subscribing half the capital if the half is locally raised may be given.

24.2.14

F. Secy)

27)
(1) Please note clearly the several points on which financial opinion is required.

(2) It is not easy to advise Govt. to guarantee interest and half of the capital unless some estimates of traffic earnings are given. Are there any such estimates?

M
25/2

NOTE—Contn. sheet.

GPB—60,000—7-11-13

P.T.O.

G. R. S. 12]

1696.

General and Revenue
Secretariat.

L. B File No. 181 of 1913

Serial
No.

28) The points for financial opinion are 2 viz:—

(1) guaranteeing interest at 4% on capital raised.

(2) Subscribing half the capital required for the undertaking by the State.

29) The capital required is estimated to be 18 lakhs & the traffic prospects is estimated to be 1,57,500 Rs & after deducting 55% for working expenses is estimated to yield a return of 3·9% on the capital outlay.

Dl Secy)

25-2-14

30) If in the opinion of Govt the figures regarding traffic prospects are fairly reliable there is no financial objn to give the guarantee at 4% for a period not exceeding 30 years.

31) Considering the importance of the lines proposed as regards the opening up of the malnad a portion of the capital may also be subscribed by Govt. As much as is possible should be raised locally but this must be atleast 50%.

B. W

26/2

26-2-14

K G 27/2

NOTE—Contn. sheet.

GPB—60,000—7-11-13

4696

G R. S. 12]

General and Revenue Secretariat. | L. D. File No. 81 of 1913

Serial No.

32) Subd. with the opinion of the Financial Secy.

14.2.33

28/2 (1483) Orders are now necessary on the following points:-

Para 5, 7, 9 sl. 1 — (i) Gauge 2' or 2'6".

Para 6, sl 1 — (ii) Guarantee of 4% interest

(iii) Contribution of half the cost

Para 8, sl 1 — (iv) Agency. Dt. Board or Public Company

Para 9, sl 1 — (v) Form of prospectus and the officer who is to sign it

Para 1, sl 3 — (vi) Receipt of share amount at the Treasuries.

As regards (i) ~~and (ii)~~ the Railway ~~Department~~ Secy. has ~~opined that a~~ preferred the 2' gauge. The same may be approved.

As regards (ii) & (iii) ~~the Board~~ there is no financial objection to the guarantee for 30 years and the promise of contribution of half the capital as shares. These may be given.

As regards (iv) it is submitted that the Dt. Board is the best agency if the Govt. is to contribute half the cost. If this concession is not asked for, a public company may be preferred.

(V) The draft prospectus with the alterations indicated in pencil thereon may be authorised to be issued by the President of the Dt. Board, after obtaining the Board's approval.

(VI) The Comptroller may be asked

NOTE—Contn. sheet

2696

(11

G. R. S. 12]

General and Revenue Secretariat.

L.B. File No. 181 of 1913.

Serial No.

to issue needful instructions to the Treasuries for the receipt of these amounts.

34) After issue of ~~tenders~~ orders on these points, the file may be transferred to the Rev. Secretariat for ordering the surveys etc.

35) A draft will be put up, if ordered.

[illegible] 28/2

Secy)

36) In accordance with the Dewan's orders on another file on the same subject the questions raised by the Dep. Comm. Shimoga were discussed at a meeting of the Fin. Secy the Railway Secy & myself on the 26th Feb. The file was returned by me ~~accordingly~~ to the Railway Secy on the 27th Feb. with a draft of the proceedings of the meeting approved by the Fin. Secy, for favor of his submitting the same with a note by himself (R. Secy) as desired by the Dewan.

37) If that file has not been received yet in the Dewan's office from the R. Secy that may be also sent to him to be put up with this file and submitted with the note required to be prepared by him.

[illegible] 2/3

Dewan

NOTE—Contn. sheet.

GPB—60,000—7-11-13

39) D.S. It seems the R. Secy to report [illegible] whether the file is now with him & to put up with the note required by the Dewan [illegible] ?/3

38) The file has not been received yet in the Dewan's Office

B 3/3/13

4696

G. R. S. 12]

General and Revenue
Secretariat.

L.B. File No. 181 of 1913

Serial No.

No. 188 d. 3/3/14

40) Forwarded, with Compliments, to the Secretary to Govt. for Railways, for favour of putting up this file with another file on the same subject that is pending with him, (vide para 36 supra) and submission to the Dewan with the note required by him.

By order.

For Secy. to Govt.
G. & R. Depts.

3/3/14

OFFICE OF SECRETARY FOR RAILWAYS. P.W.D.
Reg. No. R.O. 38
4 - MAR 1914
GOVERNMENT OF MYSORE.

No. 311 Encl. 1 File.

Submitted to the Dewan of Mysore in continuation of Office note No: 307 of 2nd March 1914

E. A. Bell

Secretary
to the Govt. of
Mysore for Rys:

Bangalore
4.3.14.

7991
4.3.14

OTE.—Contn. sheet.

GPB—60,000—7-11-13

13

Mis: (3)

Copy of the Dewan's note dated the 28th June 1914.

....

(2) Re- Authorizing the Shimoga District Board to collect funds for the tramway lines in the District

Two letters dated the 25th June 1914 from Mr.K.Matthan, Deputy Commissioner, Shimoga District.

1. P.S.D. should acknowledge the letters and transfer them to the Secretary to Government, General & Revenue Departments, who will kindly consult the Financial Secretary informally and bring up at a meeting of Council.

2. The Secretary will kindly send a final reply to Mr.Matthan as soon as possible and inform me.

3. This note may be returned to me for final perusal when the case is disposed of.

Intd. M. V.
28.6.1914.

Received 29.6.1914.

I certainly think that Mr Matthan should be allowed an opportunity of striking the iron while it is hot. The permission to collect funds which he asks for may be given at once.

This can be done by issuing the draft, flag A, prepared by the Ry Secy with some modifications:

(a) The words "not less than" in lines 4 + 5 of para 4 of the draft may be omitted.

(b) A new para 5 may be added:

"5. The cost as stated in para 2(iv) above viz. 28 lakhs is only a very rough estimate. After the detailed survey, already sanctioned, is completed ~~the cost will be more accurately~~ a more accurate estimate can be framed. If the amount raised by the District Board falls short of half the estimated cost as then determined, ~~after~~ the scheme will be carried through by Govt contributing the balance or by reducing the cost of the project (by ~~a change in~~ adopting a narrower gauge or otherwise). But if the amount raised by the District Board by the end of Dec 1915, falls short of nine lakhs, Govt may have to reconsider the whole situation".

As the cess income of the District from the six pie cess is expected ~~to be~~ nearly a lakh of rupees, there is no objection to Govt contributing something more than half the initial cost, provided ~~the cess is carefully collected~~ a careful study of the annu traffic statistics shew that the line will be ultimately paying.

M
4/7

G. R. S. 12]

15

General and Revenue Secretariat.

L. B File No. 181 of 1913.-14

Serial No.

4 From the Offg. Dy Commr Shimoga Dt. D.O. no. 257 Dt 25-6-1914. Requests, in the matter of the Constructn of Railways in the Shimoga Dt, that the District Board may be authorised to Collect funds and issue a prospectus in consultation with the Financial & Revenue Secretaries—

Secretary's remarks

"C.S. Register & Submit

2. Get the connected files for reference and return from the D.P.W."

Intd D.M.N.
29-6-14

Submitted with all references.

VS
30-6-14

NOTE—Contn. sheet.

GPB—60.000—7-11-13

GPB—1,000—19-7-13

Extract from the Proceedings of the 325th Meeting
of the Council of His Highness the Maharaja,
held at Bangalore on the 16th July 1914.

4. SUBJECT. - (Clauses xii and viii of the Schedule).

Mr. Matthan's proposal to issue prospectus for collecting funds by the District Board for the proposed Railway in the Shimoga District.

OPINION OF THE COUNCIL.

The line may be from Shimoga to Riponpet and on to Sagar: and from Riponpet to Tirthahalli, the Gauge being 2 ft. 6". The total cost of the lines viz., 28 lakhs, may be met by means of subscriptions up to 10 lakhs and by State funds up to 18 lakhs. Prospectus on these lines may issue.

Sd. M. Visvesvaraya,
DEWAN OF MYSORE.

"Extract"

D. M. Narasinga Rao.

Offg. Secretary to Government.

G. R. S. 12]   1397

General and Revenue
Secretariat.

L.B. File No. 181 of 1913.

Serial No.	
	Forwarded to the Railway Secretary for favour of further action.
	Durgay Rao 18/7
	Recd: 18.7.14. Put up revised file.
	~~NRly~~
D.1397	G.O. no. 309-13 d/12-8-14 Sanction Ry. F. 164-14-15
	The Construction of Feeder Railways in the Shimoga Dist. subject to Certain Conditions. This file may now be recorded with the above copy of the order issued in the Ry secrett.
	KE.33 11/9/14
	Y.S. Arn 15/9

NOTE—Contn. sheet.

GPB—60,000—7-11-13

The Dewan desires that the Offg. Railway Secretary may kindly prepare rough estimates of the railway lines proposed in the Shimoga District on the lines taken down by the Railway Secy in the Council meeting of 24th June 1914. and bring up before the next meeting of the Council, that is, on the 15th July 1914.

D. M. Narasinga Rao
8/7

Submitted to Secy

The estimates prepared by the S.E. Feeder lines are with him.

9.7.14.

D.4010

No. 295 Enc 1
R.164

Office of the Deputy Commissioner,
Shimoga District,
Dated 14th January 1914.

L.B.(181-13)-1

IV
16/1

16.1.14
17

From

K. Matthan Esquire, B.A.
Deputy Commissioner
Shimoga District.

To

K.R. Srinivasa Iyengar Esquire, M.A.
Secretary to Government
General and Revenue Departments,
BANGALORE.

Sir,

I have the honor to adress you on the subject of the construction of feeder railways in the Shimoga District.

2. During my visit to the Tirthahalli taluk in the third week of November last I called together a meeting of the leading inhabitants of the taluk and discussed with them the question of taking the railway to Tirthahalli. They were most keen and enthusiastic about the matter, and on my informing them that if half the cost of construction is forthcoming locally the Government would probably contribute the other half, twenty gentlemen present offered on the ~~sopt~~ spot to take up shares of the total value of Rs 1,13,900. The list of subscriptions from this taluk has since gone up to over Rs 1,50,000 and I am assured that there will be no difficulty in raising 2 lakhs' capital (possibly much more) in this taluk alone.

3. At the meeting in Tirthahalli the following

three alternative routes were considered:-

(1) A direct line from Shimoga to Tirthahalli

(2) Extension of the proposed Tarikere-Yedehalli tramway to Tirthahalli either directly or via Koppa.

(3) A line from Shimoga to Tirthahalli via Ayanur, Riponpet. Humchadakatte and Arga.

Opinion was unanimously in favour of the last mentioned route, for the following reasons:-

(1) A direct line from Shimoga to Tirthahalli or the extension of the Tarikere-Yedehalli Tramway to Tirthahalli would pass through a corner of the District and would benefit only the Tirthahalli taluk and not the rest of the District, and funds would not be forthcoming from other taluks, but a line via Ayanur, Riponpet and Humchadakatte would be useful for the Tirthahalli and Nagar taluks and the Kumsi Sub taluk and an extension of the line from Riponpet to Ananthapur and Sagar would also make it useful to the Sagar, Sorab and Shikarpur taluks, the traffic from the last two taluks being draw~~p~~n towards Sagar and Ananthapur respectively. This line would thus be of advantage to practically the whole of the District except the two Eastern taluks of Honnali and Chennagiri, and there would be the prospect of funds being raised from the whole District for the undertaking.

(2) As it is essential to connect both Tirthahalli and Sagar with Shimoga it is cheaper to construct one single line from Shimoga to Riponpet, with two branches from there one Southwards to Tirthahalli and the other to the North-west to Sagar, than to construct two independent lines to Tirthahalli and Sagar respectively.

The length in the former case would be about 72 miles while in the latter case the length of the two lines would aggregate about 81 miles.

(3) The country between Shimoga and Tirthahalli is sparsely populated. A direct line would not touch any large villages. But a line as now proposed would touch the important market town of Ayanur and also pass through the principal centres of areca nut production viz. Humcha katte, Agrahar and Araga. The bulk of the traffic from the Nagar taluk would be attra~~y~~cted towards Riponpet, and as already stated if the line is taken to Ananthapur and Sagar, the Sagar, Sorab and Shikarpur taluks will also be benefi~~t~~ted.

4) The proposed line through the centre of the District would facilitate any scheme that the Government may have for the opening up of the malnad. If in addition to these lines, Tirthahalli is eventually linked up with Koppa, Sollebyle, Balehonnur, Mudgere and Saklespur the whole of the Malnad tract will have been opened up with an outlet towards the West coast via Saklespur and Mangalore and to the Eastern side via Shimoga, Tarikere or Arsikere.

4. As was anticipated the idea of taking the railway right through the centre of the District has met with hearty approval throughout the District. and already over 2 lakhs of rupees have been promised from the Nagar taluk, about three-fourths of a lakh each from the Sagar and Sorab taluks and half a lakh from the Shikarpur taluk. The total amount hitherto promised is about 5½ lakhs.

5. The line that I therefore propose is one from Shimoga to Ayanur and Riponpet (the place where the

Shimoga-Kalurkatte road crosses the Ananthapur-Tirthahalli road), with one branch towards Sagar via Ananthapur, and another branch southwards to Humchadakatte and Tirthahalli. Mr. Bell, the Engineer-in-Chief of the State Railway construction Department, whom I consulted about the matter gave me to understand that this line would not present any serious engineering difficulties, and that a railway line of 2' gauge with the necessary rolling stock could be constructed at a total cost of ten to fifteen thousand rupees per mile while a 2' 6" line may cost from twenty to twenty five thousand rupees per mile. The total length of the proposed line will be about 72 miles and taking the maximum rates referred to above on account of the hilly character of the country the total cost may be put down at Rs 10,80,000 for a 2' gauge railway and at Rs 18 lakhs for a 2' 6" gauge railway

1. Gauge 2' or 2.6'

6 As regards the capital required, the promises for the subscriptions referred to above were given in the expectation that the Government would provide half the cost if the other half is raised locally, and would also guarantee interest at 4 percent. So long as these were held ~~out~~ out as hopes only there was some uncertainty about the whole scheme. but after the gracious pronouncement of His Highness the Maharaja in his speech while opening the Bowringpet Kolar Railway that the State would contribute half the cost in the case of such feeder railways and would also guarantee interest at 4% there is no doubt ~~an~~ uncertainty felt and I am fully confident that half the cost of the line proposed by me can be raised locally. If the line is to be of 2' gauge, half the cost has been already promised. If the line is to be of 2' 6" gauge half the cost would amount to Rs 9 lakhs and I am

· Guarantee.

· Contribution of half the cost.

5

am confident of being able to raise this within the District.

7. The question of gauge is one for the Government to decide. Many of the local merchants and leading people are in favour of a line of 2' 6" being constructed as they are of opinion that this would be sufficient for dealing with the traffic of this District for years to come, while ~~of~~ a line of 2' gauge may have in the course of some years to be replaced by a 2' 6" line. The advantages of a 2' line are that the capital cost would be considerably less, and that as the existing Manganese Tramway is of this gauge, the assured traffic of this line would be secured to

x the new undertaking by either ~~bringing~~ buying up the whole or a portion of the tramway line, or by arranging terms with the

y Manganese Company for the use of ~~this~~ their line. This is a matter which may be decided by the Government in due course, but

x I ~~write~~ wish to emphasize the fact that there will be no difficulty in raising half the capital even for the broader gauge.

Agency 8. The question of the agency for carrying out the project has next to be considered. When the subject was first discussed at Tirthahalli the idea was that the whole project may be regarded as a joint stock concern, Government taking up half the shares, and the public of the Shimoga District taking up the other half, with a guarantee of 4% interest to the public by the Government. Another alternative

2 would for the Shimoga District Board to undertake the whole concern, issuing debenture loans for half the cost and obtaining the loan of the other half from the Government. Either of these alternatives may be adopted. Many people are keen on having it as a joint stock concern, as they believe that the line will eventually pay very well and they wish to share the profits. One great advantage about this is that

there will be no question of providing a sinking fund to liquidate any loan~~s~~ or to pay off the debentures. The people will take keen interest in the management of their own railway, while efficient administration will be ensured by the fact that the Government in virtue of ~~its~~ their half interest as well as of the undertaking for the guarantee will have a preponderating voice in the management. A provision for the Government or the District Board buying the railway in such case after a term of years may of course be made ~~as~~ a condition for the Government guarantee. Personally I am in favour of this, but if there should be any objection to this the other alternative of the whole concern being regarded as a District Board undertaking may be adopted. The District Board at its last meeting held on the 20th December 1913 has resolved to move the Government for the construction of a District Board railwa to connect Shimoga with Tirthahalli via Humchadakatte on the one side and with Sagar on the other " and that " if the Government will provide half the cost and guarantee interest at 4% the District Board will raise the other half by issuing debenture bonds in the District" and that " the details as to gauge, alignment, and all the other matters may be left to be settled by the Government", but that " the Board strongly urges that permission of Government should be given to collect funds immediately as the season is favourable". If it is a District Board concern the debenture bonds may be made repayabl in 30 years, and the necessary sinking fund can be provided by levying a six pie railway cess. The revenue of the District for the year~~s~~ 1912-13 under the main heads Land Revenue, Forest and Excise amounted to over Rs 30,60,000. A six pie cess on these items would therefore yield considerably over Rs 90,000/- a year, while an annual paym ent of half a lakh would more than sufficient to repay a loan of 18 lakhs in 30 years. In this case however the subscribers would proably get only 4% for their money, although I see no reason why the District Board should not undertake to distribute the profits over 4%, if any, among the debenture holders themselves. This also is matter which both the District Board and the leading gentlemen whom I ~~am~~ have consulted and who have promised to take up shares are quite content to leave to the decision of Government.

9. Whatever may be the decision of the Governmen about the gauge, the exact alignment, the agency by which the undertaking is to be carried out (whether District Board or Government or joint stock company) and the conditions on which the Government are to contribute half the cost, I very earnestly request that sanction may be given to collect funds at an early date. These questions will necessarily involve much consideration and discussion and must take some considerable time to decide. In the meantime the season is most opportune for collecting funds, as the ryots have money in their possession, which they will soon be spending in various ways. The District Board in the resolution quoted above have also expressed themselves very strongly in favour of permission being given to collect funds immediately. Unfortunately I have already lost some time in attempting to collect traffic statistics to make this report fairly complete, but even now if permission is given early to issue a prospectus and to collect about 20% of the shares, it will be quite possible to have the whole capital taken up during the current season. If the collection of funds is delayed, a whole year will be lost. I have therefore prepared a draft prospectus for the consideration and approval of Government with any modifications considered necessary,

and

8

and have annexed it as an enclosure to this letter. The prospectus may be issued in the mame of a Secretary to Government or if there be any objection to this. in the name of the Deputy Commissioner or the President of the District Board. This will ensure the confidence of the public.

[illegible]

10. As regards traffic statistics I have not been able to gather much realiable information, but what has been gathered is noted below:- The principal exports are paddy, areca and jaggory. The quantities exported from the several taluks are shown in the subjoined statement.

ement of exports of paddy, areca anf jaggory.

Taluk	Paddy	Areca	Jaggory	Remarks
ikarpur	7143 tons	118 ton-	1414 tons	
orab	8918 "	398 "	160 "	
Sagar	9538 "	1,400 "	--	There is some doubt about this figure.
Nagar	5069 "	539 "	40 "	
Tirthahalli	4000 "	1,701	--	
Total	34,668 ~~"R~~	4,156 "	1614 "	

The whole of the arecanut goes towards Shimoga. Of the paddy exported nearly two thirds now finds its way to the West Coast and about one third towards Shimoga. If the railway is constructed it is possible that about half the total exports will be diverted towards Shimoga and go via Bangalore to Salem .Erode etc., which by the way will swell the receipts of the Mysore State Railway. Meter~~e~~ gauge ~~railway~~ line. The jaggory now mostly goes via Siralkoppa to Byadgi. but at least one half of this will ~~be~~ also be diverted to Shimoga.

9

The total traffic in these goods that may be expected to be carried by railway to Shimoga may ~~then~~ thus be taken as follows:-

Paddy	11,000	tons
Areca	4,100	"
Jaggory	800	"
Total	15,900	"

re is considerable trade in hides. Tirthahalli exports 6,500 hides a year, Nagar 2,500, Sagar about 2,500, Sorab/3000, and Shikarpur about 3,000. The sandalwood would pro~~s~~bably continue to be carried by carts to the West Coast. Cardamum and pepper would contribute about a hundred tons. The revenue from the transport of timber ought to be considerable. The forests which cannot ~~b~~ now be profitably worked will be worked ~~with~~ to advantage and afford a steady income to the railway. As an instance of the manner in which a railway line may affect the transport ~~the~~ of forest produce I may say that while bamboos were ~~formally/se~~ formerly selling at about R^s^ 20/- per thousand in the Choradi forest, they realised not less than R^s^ 43 per thousand at the last auction sales on account of the facility for transport afforded by the Manganes tramway, which is now allowed to carry goods.

The imports consist of hardware, cocoanuts, salt, kerosine oil, piecegoods, chillies and harsegram. Their volume may be roughly put down at about half the exports.

Passenger traffic between Shimoga and Tirthahalli and between Shimoga and Sagar will be fair. The jatras at Udupi in January and at Tirthahalli in December attract a large number of people. There are also large numbers of people proceeding from Sagar, Nagar and Tirthahalli as well as from the West Coast to Tirupati in the Madras Presidency.

11. Some statistics have been furnished to me by a gentlemen who has studied the question with reference to the extension of the Manganese tramway from Nagar road station to Tirthahalli. He puts down the proable receipts as follows:-

Produce (areca, paddy etc.)	Rs.	40,000
Timber	"	10,000
Bamboos	"	10,000
Passengers	"	45,000
	Total Rs.	105,000.

his is only for a railway to Tirthahalli, but if the line is taken on to Sagar also the probable receipts would be increased by 50% more, making a total of Rs 1,57,500~~0~~. If the working expenses are taken at 55% of the gross receipts, the net profits may be put down at about Rs 70,000 which works out at nearly 3.9% on a capital of 18 lakhs. In course of time the railway is bound to yield a much higher percentage

12. I have now the honor to request (1) that the Engineer-in-Chief State Railway Construction Department, may be asked to carry out the survey of the proposed line as early as possible and prepare the necessary plans and estimate so that if possible work may be started before the commencement of the monsoon,

(2) that the issue of a prospectus on the lines indicated in the enclosure and the collection of funds may be immediately authorised and

(3) that the questions as to gauge, the agency by

which the concern is to be undertaken etc., may be considered, and orders passed.

13. I am sending a copy of this letter to the Secretary to Government for Railways.

I have the honor to be,
Sir.
our most obedient servant.

Deputy Commissioner,
Shimoga District.

A.H.

Shimoga District Railways.

DRAFT PROSPECTUS.

The Government of His Highness the Maharaja of Mysore have given their general approval subject to the sanction of the Government Of India, for the construction of a 2 feet narrow gauge line of Railway from Shimoga to Sagar via Ayanur, Riponpet and Ananthapur with a branch from Riponpet to Tirthahalli via Humchadakatte and Arga. The necessary surveys(have been ordered and will be immediatel taken up. The capital cost of a 2'(6") gauge line of railwa is roughly estimated at 18 lakhs of rupees. The Government have agreed (1) to contribute half the cost of the undertaking if the other half is raised locally; (2) to guarante interest at 4% of the capital subscribed, for a period of 30 years on the condition that if and when the line yields more than 5%, half of the excess over 5% will go to Government. Details as to the gauge, the agency for administering the line, and the conditions subject to which the assistance of Government as indicated above will be given are under consideration and will be settled ~~as~~ on terms similar to those in the case of the Bowringpet Kolar Railway.

Shares of Rs 100/- each for Rs 9 lakhs will be open for public subscription, and applications for shares in the subjoined form togetger with the first instalment not less than Rs 20/- per share may be presented at any taluk treasury in the Shimoga District. The balance will be called up in ~~[illegible]~~ instalments of not more than Rs 20/- per share spread over two years, at least one month' notice being given before each call.

Form of Application.

To

The Treasury Officer,
. . . . . Taluk Treasury.

Sir,

I request that shares of the value of Rs 100/- each for the Shimoga District Railway's project may be registered in my name on the terms mentioned in the above prospectus and I herewith remit Rs only (Rs) being the first instalment of my subscription

Signature of Subscriber. . . .
Full name and address
of Subscriber. . . . . .

Place ----
Date ------

RECEIPT.

Received from the sum of rupees only being the first instalment paid on account of shares in the Shimoga District Railway's project.

----------- Date
------------ Place.

Treasury Officer,
.... Taluk Treasury.

Secy

May a copy of the accompanying letter be sent to the Comptroller for information?

lon
182/14

SN

14/2

~~G.R. 141-13-9~~

14/2 [illegible] No R 3756 Rly

d 17 Feby/14

To

The Deputy Commissioner,
Shimoga District.

Sir,

With reference to para 12 (2) of your letter No. — 295/R164 dated 14th January 1914 I am directed to state that you are authorised by Government to collect funds for feeder Railways to be constructed in the Shimoga District connecting the District Headquarters with the ~~towns~~ Taluk headquarters mentioned in your letter. The necessary details about the issue of prospectus and other matters may take sometime to settle but the collection of funds may proceed on the understanding that if the money is not ultimately utilised for the purpose intended it will be refunded to the parties concerned with interest at 4 per cent.

I have the honour to be,
sir,
Your most obedient servant

12.2.14

11/2
Fin. Secy

enthusiasm of the people is allowed to cool, it may not be so easy to secure their co-operation again.

I have the honour to be,
Sir,
Your most obedient servant,

Offg. Deputy Commissioner,
Shimoga District.

B.B.

C.S
1 Reg submit
2. Get the connected files for reference & return from the D.P.W.
[illegible]
29/6

D. O. No. 2 1519

17

D.O.No. 257

D 7637

L.B.181—13-4

Shimoga,

Dated 25th June 1914.

My dear Sir,

I beg to remind you of the subject of permission being granted to the District Board of Shimoga to raise funds for the proposed tramway lines in the District, without waiting for the decision of the Government as to the gauge.

2. I believe the Government are in favour of a tramway line being constructed either on the 2' 6" gauge or on the 2' gauge. The amount of capital that I am confident of raising in the District is nine lakhs which is amply sufficient for half the cost of a 2' line, but if the gauge be 2' 6" and the cost be 28 lakhs as now estimated by Mr. Bell, this amount will fall short of half the cost by five lakhs. The question for the decision of Government is whether in these circumstances we should be content with a 2' gauge

or whether in view of the special needs of this Malnad District and in pursuance of Government's present policy of Malnad Improvement, the Government should also undertake to find , if necessary the extra five lakhs. I say " if necessary " because it is quite possible that when once work is started more capital over and above the nine lakhs may be forthcoming , and on the other hand, there is also the possibility of the estimate of [illegible] lakhs being found to be an over estimate.

3. I understand that Government have considered it desirable that the question of gauge should be decided after a survey of the route. There is certainly no objection to this if the survey is not likely to be unduly delayed , but any delay in collecting the funds that have been promised would be disastrous for the success of the project. People begin to lose enthusiasum , they find other objects for investing their money ; the local Officers on whose influence with the people the success of such a

project

No. C. 14.
9.7.14.

19

project greatly depends will one by one be transfered in course of time ; and all these circumstances will combine to militate against the success of the project. It is therefore essential that we should strike while the iron is hot and proceed without further loss of time to collect the promised amounts. If the District Board is given an authority to collect funds , I shall at once issue a prospectus in the name of the District Board , the form of the prospectus being settled in consultation with the Financial Secretary and the Secretary for Railways.

Yours sincerely,

Matthan

M. Visvesvaraya Esquire.. C.I.E..
Dewan of Mysore,
Camp MYSORE .

Ry 131 D1397

Proceedings of the Government of His Highness the Maharaja of Mysore.

20

Read.-

Letter No.263 dated 14th January 1914 from the Deputy Commissioner, Shimoga District, to the Secretary for Railways, Government of Mysore, submitting proposals for the construction of certain feeder railways in the Shimoga District.

2. Note No.307 dated 2nd March 1914 from the Secretary for Railways submitting the recommendations of a committee composed of the Secretary to Government, General and Revenue Departments, the Financial Secretary and himself on the proposals.

3. Subsequent correspondence between the Deputy Commissioner, Shimoga District and the Secretary for Railways regarding the amount that could be raised by the District Board towards the cost of the line.

No. 309-13 dated 12th August 1914.
Ry.7.164-14-15

ORDER THEREON.- The proposals of the Deputy Commissioner comprise the following:-

(a) the construction of a line of railway from Shimoga to Aiyanur and Riponpet with branches, one towards Sagar via Anantapur and the other to Tirthahalli via Humchadakatte,

(b) the grant of permission to the District Board to raise one-half of the capital cost of the undertaking on a Government guarantee of interest at 4% per annum,

(c) the contribution of the other half of the cost by Government, and

(d) the decision of the questions of gauge and the desirability or otherwise of purchasing the existing tramway between Shimoga and Kumsi.

The Government of His Highness the Maharaja have considered ...... proposals and the recommendations made by the committee and are pleased to direct as follows:-

(i) The route proposed by the Deputy Commissioner may be adopted, the line being so aligned as to pass as near Kumsi as may be feasible.

(ii) The gauge should be 2'-6".

(iii) It is not considered necessary to purchase the Shimoga-Kumsi tramway.

(iv) Government guarantee the payment of the interest on the capital raised by the District Board towards the undertaking, which is roughly estimated to cost Rs.[illegible],00,000 at the rate of 4% per annum for a period of 20 years.

(v) As regards working, arrangement against loss in interest charges, division of surplus profits, creation of a sinking fund, etc., the principles laid down in Government Order No.Fl.60[illegible]-01/G.F.104-13-1 dated [illegible] April 1[illegible] will apply to this system as to other feeder lines.

3. The Secretary for Railways will arrange for the preparation of a detailed project for these branch lines for submission to the Railway Board with the Government of India for sanction.

4. The Deputy Commissioner is authorised to issue the necessary prospectus in the name of the District Board after obtaining the sanction of Government to the form of the prospectus and raise a loan towards the cost of the project. Government are prepared to contribute ~~4%~~ up to Rs.16,00,000 provided the balance is raised locally by the District Board.

Offg. Secretary for Railways,
Government of Mysore.

IV 13/8 pm
Kh 13/8

To

The Secretary to Government, General and Revenue Departments, with his office file.
The Financial Secretary to the Government of Mysore.
The Comptroller, Public Works and Railway Branch.
The Engineer-in-Chief, State Railway Construction Department.
The Deputy Commissioner, Shimoga District with reference to his letter referred to in the preamble.